



INSIGHTS

108th Congress

July 21, 2003

*Also available on the FEMP Home Page at
www.eere.energy.gov/femp/resources/insights.html.*

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

DON'T FORGET!

Energy 2003 will be held on August 17 - 20 in Lake Buena Vista, Florida.

Go to the **Energy 2003** web page at www.energy2003.ee.doe.gov to register.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

HOUSE

This week, the House will conduct the following activities of interest:

- Committee on Appropriations mark up and vote on *H.R. ___ - FY 2004 Appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies*
- House consideration and vote on *H.R. ___ - FY 2004 Appropriations for Commerce, Justice, State, and the Judiciary*
- Congressional Task Force for Affordable Natural Gas meeting on preparation of a report to assess gas supply issues

SENATE

This week, the Senate will conduct the following activities of interest:

- Hearing on *S. 613 - Veterans' New Fitzsimons Health Care Facilities Act*
- Hearing on *S. 434 - Idaho Panhandle Improvement Act* to construct a new facility

CONFERENCE COMMITTEES/VOTES

Tentative debates and votes are scheduled for the pending FY 2004 appropriations bills:

- *H.R. ___ - FY 2004 Appropriations for Commerce, Justice, State, and the Judiciary*
- *S. 1424 - FY 2004 Appropriations for Energy and Water Development*
- *S. ___ - FY 2004 Appropriations for Homeland Security*

- *S. 1391 - FY 2004 Appropriations for Interior and Related Agencies*
- *S. 1427 - FY 2004 Appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies*

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II. COMMITTEE ACTIVITY

HOUSE

Hearings/Mark Ups, and Votes

Federal Real Property Reform On July 17, the Committee on Government Reform approved *H.R. 2548 – Federal Property Asset Management Reform Act of 2003*. Revising current legislation that prohibits Federal agencies from leasing unused property to the private sector, the bill will allow agencies to exchange or sell property to Federal or non-Federal entities to acquire property more suitable for government operations. The bill would also permit agencies to sublease segments of Federally leased properties and outlease underutilized property; practices that, according to the General Services Administration (GSA), would save the Federal Government \$4 billion per year in costs for the maintenance of unused government property. GSA will create an inventory of all Federal real property and assist agencies in developing other management tools necessary to assess property assets. Federal agencies will be required to conduct life cycle planning and performance measurements and work closely with the private sector to develop ways to more efficiently manage 3.2 billion square feet of real property assets owned by the Federal Government. Chairman Tom Davis (R/CA) commented on the Committee's passage of the bill:

This legislation will stem the tide of deterioration of federal buildings and the subsequent waste of taxpayer dollars. We can't just throw more money at the problem. We also have to give federal agencies new incentives to dispose of unneeded properties and extend their authority to enter into partnerships with the private sector...With passage of this legislation, we're saying it's time for Congress to expand GSA's property management authorities so it can effectively administer its valuable property portfolio using established best practices...The new authorities in this bill are cost effective tools that will permit the Federal government to save money in the long-term.

In passing the bill, two amendments were also approved which include: (1) directs GSA to increase its role in preparing property agreement cost estimates and (2) directs that Federal property agreements are scored in order to comply with Federal Government standards. The bill is now pending consideration by the full House.

General Services Administration's (GSA) FY 2004 Capital Investment and Leasing Program (CILP)

On July 16, the Subcommittee on Economic Development, Public Buildings and Emergency Management (Committee on Transportation and Infrastructure) approved the General Services Administration's FY 2004 Capital Investment and Leasing Program. The CILP contains prospectuses submitted by GSA to the committee for approval of the construction, repair, or upgrade of buildings which exceed a cost of \$2.29

million. The CILP includes information on the size, cost, scale, and location of each project. The subcommittee approved all project requests in the 2004 CILP, plus several others not included. Projects that were approved include 22 non-courthouse construction projects, 14 leases, 16 repair and alteration projects, 4 building surveys, and 2 future alteration projects. Subcommittee Chair, Steven LaTourette (R/OH) said, “It is my hope that by continuing to invest in the federal inventory through repair and alteration and new construction, we will be able to preserve our most valuable assets, federal real property.”

Legislation

H.R. 2754 (H. Rpt. 108-212) - FY 2004 Appropriations for Energy and Water Development On July 18, the House passed this bill, which was approved by the Committee on Appropriations on July 16. The bill includes the following provisions of interest:

Department of Energy - \$330.144 million for Renewable Energy Programs (\$144.063 million below the President’s Budget Request because \$77.047 million is transferred to the new Electricity Transmission and Distribution Program)

Departmental Energy Management Program - \$2.3 million (same as the Budget Request and \$1.8 million in *S. 1424*)

Renewable Energy Programs - *H. Rpt. 108-212* language includes the following guidance:

- Directs DOE to pay attention to the national Academy of Public Administration recommendations to facilitate full implementation of the new [Office of Energy Efficiency and Renewable Energy] organizational model.
- Directs DOE to submit, within the next budget request, a clear set of quantitative measures that can be used by Congress and the Administration to compare the effectiveness of the Federal investment in alternate energy sources.
- Directs that such metrics should include the Federal investment to date, in each renewable energy technology and an estimate of the cost per kilowatt-hour that is forecast to be achievable with these technologies, with information on the comparable costs of other energy sources.
- Solar Energy- \$79.683 million (\$89.693 million in *S. 1424*)
- Zero Energy buildings - \$0 funding (committee believes this should be funded by the Interior and Related Agency bill through the Building Technology program) (\$0 funding in *S. 1424*)
- Electricity Reliability (formerly Electric Energy Systems and Storage) - \$76.866 million (in *S. 1424*, the program is combined with the Office of Emergency Assurance)
- Geothermal Technology Development - \$25.5 million (\$26.3 million in *S. 1424*)
- Wind Energy Systems - \$41.6 million (\$41.6 million in *S. 1424*)
- Hydrogen Research - \$67.982 million (\$87.982 in *S. 1424*)
- Biomass/Biofuels - \$69.750 million (\$75.005 million in *S. 1424*)

- Intergovernmental - \$16.5 million (\$9.5 million in *S. 1424*)
- National Climate Change Technology Initiative (for the Renewable portion) - \$0 funding (\$0 funding in *S. 1424*)
- Facilities and Infrastructure (National Renewable Energy Laboratory and includes construction of new Science and Technology facility- \$9.1 million (\$7.7 million in *S. 1424*)
- Program Direction - \$12.230 million (\$13,146 million in *S. 1424*)
- Electricity Transmission and Distribution (new program office) - \$77.377 million, which includes funds traditionally used to support a variety renewable energy programs dealing with electricity transmission and distribution (not specified in *S. 1424*)

H.R. 2691 - FY 2004 Appropriations for Interior and Related Agencies – The House passed the bill on July 17. Refer to the July 15 issue of *INSIGHTS* for details on the Department of Energy's energy conservation program. The bill is now pending consideration and a vote by the full House; no schedule has been announced.

H.R. ____ - FY 2004 Appropriations for Commerce, Justice, State, and the Judiciary - The Committee on Appropriations approved this bill on July 16. The bill is not yet available in print. The bill is now pending consideration and a vote by the full House; the House may take up the bill this week.

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SENATE

Hearings, Hearings, Mark Ups, and Votes

Management of DOE National Laboratories On July 17, the Committee on Energy and Natural Resources heard from Victor Reis, Hicks and Associates; John Gibbons, Resource Strategies; William Spencer, International SEMATECH; and William Schneider, International Planning Services Inc. regarding challenges in the management and oversight of DOE national laboratories. While all speakers generally agreed that government laboratories are more efficiently managed by private contractors, they expressed concern that contracting out management operations creates bureaucratic "layers" between the DOE headquarters and laboratory managers. To remedy this, Mr. Gibbons said, "The choice of management model should be matched to the nature of the work intended to be carried out...In all cases it is imperative to have periodic peer reviews..." He suggested delegating a team from the National Academies or the President's Committee of Advisors on Science and Technology to conduct an independent assessment of the management needs of the laboratories. According to Mr. Spencer, "The problem is that labs are not focusing on meeting the mission" because they are required to comply with audits and rigorous oversight. Mr. Reis stated that inefficiency in laboratory contracting also stems from a lack of trust between DOE and its laboratories. He suggested that contractors appoint senior managers with laboratory experience to become operations representatives who could act as an interface between the laboratories, the management contractor, and the DOE headquarters. He pointed out a situation in which a government-owned, contractor-operated laboratory successfully used this approach: "Because of [the senior managers] lifetimes of work experience at the labs, the labs trusted them. And because of their obvious management expertise, they soon developed a similar trust among the key DOE staff." Mr. Reis also advocated the appointment of a "Board of Directors" for all Federally Funded Research and

Development Centers because a board has the potential to “bring real value added to the operation – goals are shared and priorities chosen. Most important, it provides a strategic discipline ensuring the Lab is working on those national problems that fit the lab’s talents and mode of operation.”

Legislation

Comprehensive Energy Legislation According to remarks made last week by Senate Majority Leader Bill Frist, (R/TN), he still plans to resume floor debate on *S. 14 – Energy Policy Act* during the last week of July. He is seeking from Democrats, a “unanimous consent agreement” in which the minority agrees to file all pending bill amendments by July 23; to date, Democrats have not agreed to this request. The potential for clearing the bill on the Senate floor before the annual August recess begins remains uncertain.

S. 1424 (S. Rpt. 108-105) - FY 2004 Appropriations for Energy and Water Development On July 17, the Committee on Appropriations passed this bill, which is now being prepared for consideration by the full Senate. The bill includes the following provisions of interest:

Department of Energy - \$358.476 million for Renewable Energy Programs (\$85.7 million below the President’s Budget Request and \$61.016 million below the FY 2003 funding level).

Departmental Energy Management Program - \$1.8 million (\$2.3 million in *H.R. 2754*, which is the Budget Request)

Renewable Energy Programs - *H. Rpt. 108-212* language includes the following guidance:

- Directs DOE to pay attention to the national Academy of Public Administration recommendations to facilitate full implementation of the new [Office of Energy Efficiency and Renewable Energy] organizational model.
- Directs DOE to submit, within the next budget request, a clear set of quantitative measures that can be used by Congress and the Administration to compare the effectiveness of the Federal investment in alternate energy sources.
- Directs that such metrics should include the Federal investment to date, in each renewable energy technology and an estimate of the cost per kilowatt-hour that is forecast to be achievable with these technologies, with information on the comparable costs of other energy sources.
- Solar Energy - \$89.693 million (\$79.683 million in *H.R. 2754*)
- Zero Energy buildings - \$0 (also \$0 funding *H.R. 2754* - funding committee believes this should be funded by the Interior and Related Agency bill through the Building Technology program)
- Electricity Reliability- not in *S. 1424* - (76.866 million in *H.R. 2754*)
- Geothermal Technology Development - \$26.3 million (\$25.5 million in *H.R. 2754*)
- Wind Energy Systems - \$41.6 million (\$41.6 million in *H.R. 2754*)
- Hydrogen Research - \$87.982 (\$67.982 million in *H.R. 2745*)

- Biomass/Biofuels - \$75.005 million (\$69.750 million in *H.R. 2745*)
- Intergovernmental - \$9.5 million (\$16.5 million in *H.R. 2745*)
- National Climate Change Technology Initiative (for the Renewable portion) - \$0 funding (0 funding in *H.R. 2745*)
- Renewable Energy Production Incentive - \$4 million (\$4 million in *H.R. 2754*)
- Facilities and Infrastructure (National Renewable Energy Laboratory and includes construction of new Science and Technology facility- \$7.7 million (\$9.1 million in *H.R. 2745*) and \$750,00 for Oak Ridge National Laboratory for an Energy Efficiency and Reliability Laboratory (\$750,000 in *H.R. 2745*)
- Renewable Program Support - \$4 million
- Program Direction - \$13.146 million (\$12.230 million in *H.R. 2745*)
- Electricity Transmission and Distribution (new program office) - combined into the new Office of Electricity and Energy Assurance - total is \$00.425 million

H.R. 1427 – FY 2004 Appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies The Committee on Appropriations approved this bill on July 17; the bill is now pending consideration and a vote by the full Senate. Provisions of interest include the following:

Department of Agriculture

Agriculture Buildings and Facilities and Rental Payments - \$188.022 million providing \$123.910 million for rental payments, \$32.559 million for building operations and \$31.553 for strategic space plan (represents a \$1.144 million increase over the FY 2003 funding level)

Agriculture Research Service Buildings and Facilities - \$46 million (\$72.703 below the FY 2003 funding level - due to “budgetary constraints, the committee is unable to provide the full amounts required to complete construction of all projects”).

Animal Plant and Health Inspection Service - \$4.996 million (\$4.928 million below the FY 2003 funding level).

Renewable Energy Program - \$23 million (Note: the committee “encourages” USDA to consider loan and grant applications for specific projects from farmers, ranchers, and small rural businesses to purchase renewable energy systems and energy efficiency improvements located in various Mid-Western states.

Department of Health and Human Services

Food and Drug Administration Buildings and Facilities - \$8.948 million for continued repairs and improvements (same funding level as FY 2003)

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III. STATUS OF FY 2004 APPROPRIATIONS BILLS

(In Millions)

HOUSE

SENATE

<i>Jurisdiction/ FY 2004 Budget Request</i>	<i>302(b) Allocations / Approved Funding Level</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>	<i>302(b) Allocations/Approved Funding Level (New)</i>	<i>Bill No.</i>	<i>Full Cmte.</i>	<i>Floor</i>	<i>Conf.</i>
Agriculture 17,141	17,005	H.R. 2673	6/25	7/14		17,005	S. 1427	7/17	Week of 7/21	
Commerce 37,685	37,914	H.R. —	7/16	Week of 7/21		37,014				
Defense 371,698	368,662	H.R. 2658	6/26	7/8		368,662	S. 1382	7/9	7/14	
Energy and Water Development 26,946	27,080	H.R. 2754	7/16	7/18		27,313	S. 1424	7/17	Week of 7/21	
Homeland Security 27,481	28,521	H.R. 2555	6/12	6/24		28,521	H.R. —	7/10	Week of 7/21	
Interior 19,552	19,627	H.R. 2691	6/25	7/17		19,627	S. 1391	7/10	Week of 7/21	
Labor / HHS 137,990	138,046	H.R. 2660	6/25	7/10		137,601	S. 1356	6/26		
Military Construction 9,237	9,196	H.R. 2559	6/17	6/26		9,196	S. 1357	6/26	7/11	
Transportation and Treasury 27,802	27,502					27,502				
VA/HUD 89,434	90,034		7/21			90,034				

Red Italics = scheduled date

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IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

See detailed provisions for all bills at: thomas.loc.gov

HOUSE

No legislation of interest to report.

SENATE

Number	Short title	Date	Sponsor	Status
S. 1403	No Short Title	July 15	George Voinovich (R/OH)	Referred to Committee on Veterans' Affairs
Authorizes \$90 million for the establishment of a new Department of Veterans Affairs medical facility for veterans on available Federal land at the Defense Supply Center, Columbus, Ohio.				

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V. ADMINISTRATION INITIATIVES/POLICIES

Administration Comments on Pending Legislation On July 16, the Office of Management and Budget (OMB) released a "Statement on Administration Policy" regarding ***H.R. 2691 – FY 2004 Appropriations on Interior and Related Agencies***. In the statement, OMB expresses support for the House bill, but provided specific comments on selected provisions, as noted below.

Select Initiatives

The Administration is concerned that the bill fails to fully support the President's request for key Administration initiatives. In particular, the bill underfunds the President's Hydrogen Fuel Initiative, which seeks to make our air cleaner and our country less dependant on foreign sources of energy.

Department of the Interior

The Administration commends the Committee for extending the Recreation Fee Demonstration authorities. (Proceeds from the fees are used to finance construction and renovation projects on Federal lands, such as the National Park Service, the U.S. Forest Service, etc.)

On July 18, the Office of Management and Budget released a statement supporting passage of House Committee on Appropriations bill, [*H.R. 2754 – FY 2004 Appropriations for Energy and Water Development*](#). However, the “Statement on Administration Policy” provided the following additional view.

Hydrogen Fuel Initiative

The Administration is concerned that the bill does not provide the full request for the President’s Hydrogen Fuel Initiative. This initiative seeks to make our air cleaner and our country less dependent of foreign sources of energy and should be fully funded.

Department of Energy

We object to the bill’s lack of funding for the President’s National Climate Change Technology Initiative competitive solicitation program. This program is a key component of the President’s strategy to fund innovative technologies that can significantly reduce greenhouse gas emission intensity, and we urge the House to fully fund the initiative.

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VI. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<i>July 21 –</i> Committee on Appropriations <i>(NEW)</i>	Bill Young (R/FL)	<i>Mark Up –</i> <i>FY 2004 Appropriations</i> <i>for VA, HUD, and</i> <i>Independent Agencies and</i> <i>supplemental spending</i>	N/A	5:00 p.m. Room 2359 Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
<i>July 21 –</i> Committee on Energy and Commerce Committee on Resources <i>(NEW)</i>	Billy Tauzin (R/AL) Richard Pombo (R/CA)	<i>Organizational Meeting –</i> Congressional Task Force for Affordable Natural Gas to discuss a plan to produce a report by September 30 that assesses reasons for the gas supply problems and potential solutions	N/A	1:30 p.m. Room 2123 Rayburn Office Building

SENATE – COMMITTEE ON APPROPRIATIONS

No hearings of interest to report.

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
July 22 – Committee on Veterans' Affairs (NEW)	Arlen Specter (R/PA)	Hearing – <i>S. 613 – Veterans' New Fitzsimons Health Care Facilities Act of 2003</i> , a bill to authorize a construction project at the former Fitzsimons Army Medical Center in Aurora, Colorado	TBA	2:30 p.m. Room 418 Russell Office Building
July 23 – Committee on Energy and Natural Resources (NEW)	Pete Dominici (R/NM)	Mark Up – <i>S. 434 – Idaho Panhandle National Forest Improvement Act of 2003</i> - a bill to permit the sale of three parcels of land in the Idaho Panhandle National Forest; sale proceeds would be used to construct a new ranger station.	N/A	10 a.m. Room 366 Dirksen Office Building

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Date and Action Item	Topic	Time and Location
Week of July 21 (Tentative) (NEW)	Floor Consideration and Vote – <i>H.R. __ - FY 2004 Appropriations, for Commerce, Justice, State, and the Judiciary</i>	TBA U.S. Capitol
Week of July 21 (Tentative) (NEW)	Floor Consideration and Vote – <i>S. 1424 – FY 2004 Appropriations for Energy and Water Development</i>	TBA U.S. Capitol
Week of July 21 (Tentative) (NEW)	Floor Consideration and Vote – <i>S. __ - FY 2004 Appropriations for Homeland Security</i>	TBA U.S. Capitol
Week of July 21 (Tentative) (NEW)	Floor Consideration and Vote – <i>S. 1391 – FY 2004 Appropriations for Interior and Related Agencies</i>	TBA U.S. Capitol

<i>Week of July 21 (Tentative)</i> <i>(NEW)</i>	<i>Floor Consideration and Vote –</i> <i>S. 1427 – FY 2004</i> <i>Appropriations for Agriculture,</i> <i>Rural Development, Food and</i> <i>Drug Administration, and</i> <i>Related Agencies</i>	TBA U.S. Capitol
<i>Late - July</i> (bill is put on hold to address other pressing legislative issues)	<i>Floor Consideration and Vote-</i> <i>S. 14 – Energy Policy Act of</i> <i>2003 proposed amendments</i>	TBA U.S. Capitol

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